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MCMILLAN LLP SUCCESSFUL IN ANTI-DUMPING ACTION TO PROTECT CANADIAN FURNITURE MANUFACTURERS

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Canada Imposes Trade Remedy Measures on Chinese and Vietnamese Products, Including Duties Up To 204 Percent.

Chinese and Vietnamese produced furniture was unfairly dumped and subsidized materially injuring Canadian producers says a decision of Canada's International Trade Tribunal. Based on this finding, the Canadian Border Services Agency has imposed trade remedy measures on these Chinese and Vietnamese manufacturers of between 10 and 204 percent.

The ruling is a landmark decision in favour of protecting a diverse set of Canadian producers of consumer goods, and is the result of a complaint filed in October 2020 by McMillan LLP on behalf of four Canadian furniture producers, two in Winnipeg and two outside of Montreal.

"This is the first successful Canadian trade remedy case involving complex consumer goods in a decade," says Jonathan O'Hara, lead counsel for the complainants, and Partner, International Trade with McMillan LLP. "Trade remedy protection is not just available for industrial goods. Any type of manufacturing industry in Canada may be able to get help against low-priced foreign competition, especially from China. This is true whether there is one major Canadian producer, or there are dozens of smaller producers."

This anti-dumping and anti-subsidy measures case concerns upholstered domestic seating ("UDS"). UDS is primarily household sofas, chairs, sofa beds and the measures apply to goods that are either leather or have motion (e.g. reclining) functions.

Chinese and Vietnamese producers were found to have an unfair advantage for their products ranging from 10% to 204%. Largely because of this unfair advantage, Canadian producers saw their Canadian market share shrink from 48% in 2017 down to 32% by 2020.

"This decision will significantly help a Canadian manufacturing industry that has been hurting for many years in trying to compete with much lower priced products coming from China and Vietnam," says O'Hara. "This protection should allow Canadian producers to regain their lost market share and improve profitability to more



sustainable level. It could result in the creation of hundreds if not thousands of Canadian jobs."

"This is one of the most complex trade remedy cases in many years. McMillan was the single law firm representing Canadian producers and we are proud to have succeeded in protecting Canadian jobs and economic interests."

McMillan is a top Canadian law firm in the field of international trade, especially for obtaining trade remedy, anti-dumping and anti-subsidy protection against unfairly low priced goods exported to Canada.